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Submission by PHCC and PHCC of California

See attached document submitted by Plumbing-Heating-Cooling Contractors of California (PHCC of California) and Plumbing-Heating-Cooling Contractors - National Association.

Additional submitted attachment is included below.



August 18, 2025

California Energy Commission
Docket Unit
715 P Street
Sacramento, California 95814

Re: Docket **24-OIR-03**
TN: 264545

Dear Commission Staff:

The Plumbing-Heating-Cooling Contractors – National Association and the Plumbing-Heating-Cooling Contractors of California (“PHCC” collectively) appreciate the opportunity to submit comments in response to the California Energy Commission’s (CEC) Request for Information (RFI) regarding Energy Data Collection Phase 3—Space Conditioning and Water Heating Equipment Data Tracking (Docket Number 24-OIR-03).

PHCC is the country’s oldest national building trades association representing 3,100 plumbing and HVAC signatory and merit shop contractors in the residential, commercial, and industrial sectors. PHCC of California is the premier state contractor association comprised of approximately 250 plumbing and HVAC contractors employing thousands of professionals across the Golden State. Our members’ scope of work focuses on service, installation, repair, and new construction, particularly as it relates to the products subject to the CEC’s data request in its RFI.

CEC seeks “specific data [on building-installed space heating, space conditioning, and water heating devices sold, delivered and installed within California] so that energy forecasts as well as policy and program recommendations by the CEC continue to meet the high bar needed for effective state governance” with an emphasis on data accuracy. As the stakeholders tasked with performing some of the work necessary to achieve California’s climate goals, **PHCC members take their responsibility seriously** regardless of the feasibility of those goals and other market realities. This Association is concerned about the impacts of these decisions on small businesses and, ultimately, the consumer.

The data requested by CEC has PHCC concerned about the security of confidential business information (CBI), including the customer and jobsite information this request would likely entail. Contractors need assurances that personally identifiable information about customers and

overall CBI provided by contractors would be aggregated and remain anonymous. This is an impediment to CEC's stated goal of accurate data collection, because contractors will be reluctant to provide information that would expose their customers or provide an avenue for competitors *who do not comply* to undercut the business of those who *do* comply.

The information sought by CEC may already be available via permitting and certificates of inspection for installations of HVAC and water heater products from various jurisdictions throughout the state. It has been said that the permit compliance rate is poor, which contributes to the lack of data sought by CEC. Improvements to the permitting and inspection process may result in increased compliance, but a contributing factor is permitting compliance cost. Many contractors have complained that the incentive for bad actors is high, and permit compliance costs could reach into the thousands of dollars. Consumers faced with the regulatory burden frequently choose lower cost options and face almost no consequences.

PHCC supports a requirement that only licensed contractors acquire these products for installation, with some exceptions for larger, national account entities. It is easier to enforce the rules when one knows the players in the game.

The RFI lays out a series of twelve questions that we will attempt to answer to the best of our knowledge to help CEC fulfill its goal:

1. *Which steps of the supply chain are most/least appropriate for reporting accurate equipment data, and why?*

Reporting equipment data at any level of the supply chain is misleading. Equipment sold for use in the replacement market is only half the story. It is important to know what is being replaced. Is the equipment the same capacity, and what is the improvement in product efficiency? These are critical factors to allow forecasting of energy needs for the state. The distributor will not know this information, the delivery person won't know, and in many instances, the service technician will not know more than the tonnage needed in the installation. On the new construction side, there is no replacement in this instance and new construction has a more defined development and permitting process. Gathering lists of equipment capacities and serial numbers alone is useless data and for the vast majority of replacement work, the new equipment will have a much higher efficiency rating than the failed equipment.

2. *Should data be reported from more than one step of the supply chain? Why or why not?*

Data reporting across all channels would give comparisons to know that all equipment is accounted for, but not all equipment gets sold at the same time. There will be discrepancies across months or even years for some models of equipment. Tracking this information will add significant overhead across the supply chain as well.

3. *How often should data be reported? Should reported data be more granular than the frequency of reporting (e.g. a quarterly report that includes monthly sales figures)?*

Any level of data reporting adds to consumer costs since the parties in the supply chain will be taking on additional overhead costs that provide minimal benefit to the consumer.

4. *What types of information are infeasible to report on?*

Reporting data, other than system size, is infeasible when taking a permit since specific model and serial number information is likely not available until the installation occurs.

5. *How geographically accurate will the reported location of delivery be to its final installed location? Is there a category of geographic information, such as zip code or county, that would best or most accurately inform forecasting, policy and program efforts?*

This is hard to say, sometimes equipment goes to the job site, sometimes to distribution points, and in the current market, with business consolidation, it could transfer among branch offices. No matter where final delivery occurs for installation, a permit should be issued in the jurisdiction where installation occurs.

6. *What cost impacts are incurred by reporting sales and distribution information consistent with a potential reporting requirement? What are the different electronic reporting capabilities stakeholders at different points of the supply chain?*

Larger contractors have electronic data management systems which could be updated to facilitate reporting. That system would need to be developed and purchased by the contractor, the costs of which are unknown, but these management systems can be expensive. Smaller contractors will likely develop their own methods and likely need to add additional staff to handle reporting compliance. For all involved, there will be additional overhead costs connected with a reporting mandate.

7. *Should businesses below a certain size threshold be excluded from data reporting requirements? If so, what should the size threshold be and why is it appropriate?*

Businesses do not wish to share their confidential information, especially at additional business expense for no tangible benefit. Our members are not in favor of sharing data no matter the business size.

8. *Who else collects this data? In particular, are there other governmental entities (i.e. federal, state or local agencies) that require reporting of sales and distribution data?*

PHCC is not currently aware of any governmental entities that require collecting this information, other than what might already be available via the permitting and inspection process.

9. *How detailed should reported information be about the type or model of equipment? Should equipment counts be grouped or aggregated by model family, size or capacity, or by some other factor? Why or why not?*

Given the improved minimum equipment efficiencies, knowing how many units of certain capacities sold should be enough. For forecasting energy needs, new installations should be of concern as that represents additional *new* demand, however replacement equipment would likely lower *existing* demand.

10. How detailed should reported information be about the destination and purchaser/receiver of any equipment? Should sales to contractors record their contractor license number?

PHCC supports the use of licensed contractors in the HVAC and plumbing markets and believes that for the majority of transactions, the distribution chain knows or verifies licensed contractors.

11. How detailed should reported information be about when equipment was delivered?

Equipment will come on-line after final inspection. PHCC does not see a point in reporting when equipment was delivered as delivery does not equate to installation and operation.

12. Should refrigerants used by reported units be specified? Why or why not?

Refrigerants are governed by federal law, installations will be governed by products manufactured according to federal law (regional standards governing California dictate equipment must be EPA compliant at the time said equipment is *installed*, not *manufactured*), so it seems irrelevant to report this information.

PHCC hopes this information is useful in this process. You are encouraged to contact Whitney Squire, Chief Executive Officer for PHCC of California at whitney@caphcc.org or Charles White, Vice President of Regulatory Affairs for PHCC National at white@naphcc.org.

Respectfully submitted,

Charles R. White
VP Regulatory Affairs
Plumbing-Heating-Cooling Contractors – National Association

Whitney Squire
Chief Executive Officer
Plumbing-Heating-Cooling Contractors of California